



NEWS TO USE

A newsletter for PERSI Employers

January 2005

- 2005 legislation
- ERIPs done at Dept of Education
- Retirement benefit formula

Proposed 2005 legislation affecting PERSI

PERSI has three pieces of proposed legislation for the upcoming 2005 session. As of yet, we have not heard of any legislation forthcoming from other sources that would affect PERSI. If any arise, we will keep you informed. As always, we have a link to our legislative page on our website's homepage at www.persi.state.id.us. We make regular updates to this page during the legislative session.

Police Officer Status Clarification for County Detention Officers/Dispatchers

This bill amends Idaho Code 59-1303 to clarify "police officer membership status" for dispatchers and county detention officers. This bill clarifies that limited jail duties do not convert

membership to "police officer status" by specifically omitting "dispatchers" and requiring county detention officers to be POST certified, consistent with current POST rules. The bill clarifies that police officer status for Deputy Sheriffs and city police officers requires POST certification. It also changes terminology referring to paramedics to conform with other statutory usage.

Changes to this bill were also made to conform with some of the terminology currently in use at POST, based on suggestions from POST leadership. This includes changing POST Instructors to POST Training Coordinators.

Clarification of PERSI Board Duties and Responsibilities

This bill amends Idaho Code 59-1305 to include investment committee members under the indemnity provision; to authorize the Board to retain audit services; and to modify and clarify actuarial requirements.

Effect of Prospective Only Benefit Enhancements

This bill amends Idaho Code 59-1315 to clarify the meaning of "prospective only application" of benefit enhancements, meaning that a member's PERSI Base Plan benefits are determined on the basis of the plan as it existed on the date of the member's last contribution as an active member.

PERSI does not handle ERIPs - School districts and teachers must contact the Department of Education for ERIPs

PERSI always gets calls from teachers saying their school district told them to call PERSI to determine what they will get for an Early Retirement Incentive Program (ERIP) if they retire this year. The teachers want to know how to apply for the ERIP, etc.

We then always refer the teachers to the Department of Education with the explanation that PERSI has nothing to do with the ERIP other than to

confirm after the fact for the Department of Education that the teacher does not meet the Rule of 90 as required.

The Department of Education encourages teachers to go to their Web first for information on the ERIP. It is www.sde.state.id.us/finance

The Web has a slideshow in various formats called "Early Retirement Incentive Program

- What is it?" as well as the required ERIP application form.

Applications are year-specific, so to apply for 2005, teachers will need the 2005 form.

If the Web doesn't answer all questions, teachers may call Larae Ashby at the Department of Education at 332-6840.

"Highest 42 Months" used in retirement calculation is the member's "Highest CONSECUTIVE 42 Months"

We've had several instances lately where members claim that they get to pick their highest 42 months average salary for their retirement calculation. They

say they didn't know it was the highest CONSECUTIVE 42 months.

So, just as a reminder, below is the information that may

be found in the PERSI Member Handbook (also available online) explaining the Base Plan retirement benefit formula. Note that "consecutive" is stated often.

Base Plan Service Retirement Formula

Your Base Plan retirement benefit is based on your Highest Average Monthly Salary (gross salary) over a Base Period and your total Months of Service. A Base Period is the period of consecutive months during which you received your Highest Average Monthly Salary (Chart A). This is usually at the end of your career, but may have occurred earlier. The number of months used in a Base Period has changed over the years, improving the benefit formula. To find the number of months used in your Base Period, find what was, or will be, your date of last contribution (the date you stop working).

	Average Monthly Salary
	During Base Period (A)
x	Multiplier (B)
x	Months of Credited Service
=	Annual Benefit
÷	12 Months
=	Monthly Benefit

Your benefit will only be computed using the formula in Idaho law at the time of your last contribution. You must be working on or after the effective date of a formula for those factors to apply to your benefit.

A) Average Monthly Salary During Base Period (gross salary)

Your Highest Average Salary over this many Consecutive Months

Date of Your Last Contribution	Number of Consecutive Months of Highest Average Salary to use in your Formula
Up to September 30, 1992.....	60 month base period
October 1, 1992 to September 30, 1993	54 month base period
October 1, 1993 to September 30, 1994	48 month base period
October 1, 1994 and after	42 month base period

B) Multiplier

Date of Your Last Contribution to PERSI	Use this Multiplier if you are a	
	General Member	Police/Fire Member
Up to September 30, 1992	1.667%	2.000%
October 1, 1992 to September 30, 1993	1.750%	2.075%
October 1, 1993 to September 30, 1994	1.833%	2.150%
October 1, 1994 to June 30, 2000	1.917%	2.225%
July 1, 2000 and after	2.000%	2.300%